



2003 Annual Report

Dear Friends:

Illinois agriculture has a lot to be proud of. Substantial progress was made last year to keep our state a leading world supplier of food and agricultural products. So, I am pleased to present the Illinois Department of Agriculture's 2003 annual report, which reflects upon the noteworthy accomplishments of the past year.

While a dry August hurt yields, our farmers led the nation in soybean production. In addition, the corn crop was the largest in state history, which is remarkable for a state known for its high volume of corn production. In all, 38 counties set record highs for yields.

Progress also was made to maintain our competitiveness in global markets and position Illinois agriculture for a profitable future.

Governor Blagojevich extended the sales tax exemption for corn-based ethanol, created a new tax credit for soy biodiesel and established a \$15 million grant program to encourage the construction of production facilities. These incentives will enable Illinois — which already produces 685 million gallons of ethanol per year — to take advantage of the growing demand for renewable fuels. That means not only higher prices for our corn and soybean crops, but also new investment opportunities for our farmers and new jobs for our rural communities.

The governor also signed legislation to protect the financial interests of Illinois farmers. The Grain Code amendments expand the amount of losses that are covered when a grain elevator fails and replenish the state-backed insurance fund that pays those claims. They also contain stiff penalties for unscrupulous elevator operators whose wrongdoing threatens the financial stability of our state's multi-billion dollar agricultural industry. The Producer Protection Act recognizes an industry trend toward the contract production of livestock. It stipulates that the contracts offered to farmers must be written in plain, understandable language and prohibits livestock companies from unilaterally terminating the agreement without just cause.

Other accomplishments the past year include:

- the unveiling of a sharp, new, full-color logo to brand Illinois specialty crops and enable consumers to easily identify Illinois produce in their local supermarket.
- the awarding of \$400,000 in AgriFIRST grants to spur the development of "value-added" business ventures that turn farm commodities into marketable agricultural products and increase farmers' profits.
- the launch of a new "Buy Illinois" website that allows small Illinois food companies to compete for internet sales.
- and, the start of work on a web-based agriculture asset tracking system that will enhance our preparedness for an agricultural disaster or act of agro-terrorism.

Much work remains to be done and many challenges lie ahead. But, a lot has been accomplished in a short period of time and Governor Blagojevich and I are committed to provide the tools that farmers need to maintain their leadership position in an ever-changing global marketplace.

Sincerely,

Charles A. Hartke

Director, Illinois Department of Agriculture

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Mission Statement:

The mission of the Illinois Department of Agriculture is to protect, preserve and promote Illinois agriculture and the health and safety of the public.

Vision Statement:

The Illinois Department of Agriculture's vision is to promote and regulate agriculture in a manner that encourages farming and agribusiness while protecting Illinois' consumers and natural resources.

Divisions of the Department of Agriculture

Food Safety & Animal Protection

Meat & Poultry Inspection

The department is responsible for protecting consumers in relation to wholesomeness, deceptive advertising and proper labeling of meat and poultry products. Staff inspect 279 slaughter and processing establishments and license and inspect 506 meat and poultry brokers who buy boxes of labeled meat and sell it in bulk to wholesale or retail establishments.

Animal Welfare

The agency administers regulations concerning care and control of livestock and pets. Staff license and inspect pet shops, kennels, catteries, pounds, shelters, guard dog services and foster homes. They inspect 2,300 licenses up to 4 times a year. They also investigate complaints of animal abuse, which have increased dramatically in the last decade. In 1991 the agency investigated 918 complaints. In 2002 they conducted 2,657 investigations.

Animal Welfare is also responsible for the licensing of rendering plants and collection centers, investigation of improper disposal of animals and registering and recording brands.

Animal Health

The department is responsible for detection and eradication of various animal diseases including chronic wasting disease (CWD), equine infectious anemia and poultry diseases. State veterinarians perform epidemiological investigations, develop plans to eradicate diseases in infected herds, and monitor and test animals. Illinois has achieved disease-free status in regards to bovine tuberculosis, bovine and swine brucellosis and two poultry diseases: pullorum-



typhoid and mycoplasma gallisepticum. Other animal inspectors assist state veterinarians with livestock testing, collect milk samples from dairy herds and ensure livestock owners comply with testing requirements.

The department licenses auction markets, livestock dealers, feeder swine dealers and slaughter buyers. This allows the department to ensure compliance with animal health laws and strengthens the livestock industry by taking action when businesses operate illegally.

Agricultural Industry Regulation

Agricultural Products Inspection

Illinois farmers produce nearly 16% of the nation's corn crop, enough to fill the Sears Tower in Chicago almost 18 times. The department inspects a number of products including feed, seed fertilizer products and ammonia applicators to ensure quality and safety to all consumers. Staff test seed for purity, noxious weed content and germination. They also test seed conditions for shipping purposes and check bag labels for accuracy.

Weights and Measurements Certification

The agency tests more than 125,000 commercial weighing and measuring devices each year including gasoline pumps, scales for groceries and grain moisture meters. Inspections benefit both buyers and sellers of goods by ensuring the devices' accuracy. To ensure the quality of eggs being sold, the agency conducts 10,000 annual inspections at restaurants, schools, hospitals, nursing homes and other businesses.

Grain Dealer and Warehouse Inspection and Licensure

The department examines books and records of each grain dealer and warehouse at least once a year checking for compliance with the Illinois Grain Code. Staff is also responsible for administration of the Illinois Grain

Insurance Fund, which offers protection to producers and grain distributors against financial losses in the event of a grain dealer or warehouse failure.

Motor Fuel Quality Testing

To help ensure fuel quality, the department evaluates petroleum products such as gasoline, diesel fuel, kerosene and propane. The inspectors analyze octane levels, alcohol type and quantity, vapor pressure and distillation points to determine if the sample meets accepted specifications.



Natural Resources

Environmental Programs

This unit of the department oversees various programs directed toward the protection of the environment. Administered programs include the control and eradication of invasive insect pests and plant diseases. It regulates the use of pesticides and registers over 11,000 economic poisons, from products like Skin So Soft to agricultural pesticides like atrazine. They also certify and license pesticide applicators and investigate suspected misuse. Staff also administers programs concerning proper pesticide record keeping; unwanted pesticide collection and proper disposal; bulk pesticide and fertilizer storage; container recycling; andgroundwater protection initiatives. Theyinspect nursery stock for plant diseases and insects to insure products are safe to be shipped into and out of the country. The department also oversees the Livestock Management Facilities Program. This program regulates many aspects of livestock production, including setback distances, design and construction standards for manure storage structures, waste management plans and livestock manager certification.



Land and Water Resources

The agency provides financial, technical and educational assistance to Illinois' 98 soil and water conservation districts. Their mission is to reduce erosion and sedimentation, protect water quality, control flooding, plan land use, enhance woodland, wildlife and recreational resources.

Conservation 2000 is a long-term state initiative to protect natural resources and improve outdoor recreation in Illinois. Through these programs staff administer nutrient management, stabilize stream banks, promote sustainable

agriculture and implement land treatment practices.

81% of Illinois is farmland. The state has 76,000 farms comprising 28 million acres, an area equal to the size of Delaware, Hawaii, New Jersey, New Hampshire, Rhode Island and Connecticut combined. The department watches over all this land through the Farmland Protection Program. They keep track of all agriculturally-zoned land in the state, review facility planning areas and work with other agencies to minimize the loss of farmland.

Currently the state loses an average of 20,000 acres a year due to facility planning areas. To ensure farmland disturbed by mining is restored to pre-mining conditions, the department reviews coal mining permit applications and inspects mines.

Watershed Park is an outdoor exhibit located on the State Fairgrounds where visitors can view the different practices to ensure water quality, prevent soil erosion and promote sustainable agriculture. The park is open between April and October.

Marketing and Promotions

Agricultural Statistics and Marketing News



Through a cooperative agreement between the state and federal Agriculture departments, the agency publishes weekly weather and crop information, bimonthly farm reports and an annual summary of Illinois agriculture statistics. The department also provides market reports on agricultural commodities and current conditions of supply, demand, price, trend, movement and other information affecting the livestock, grain and feed industries.

Agricultural Marketing

The department helps Illinois farmers, agribusinesses and food companies develop and expand markets for agricultural products worldwide through a

number of initiatives. These include the Illinois Products logo program, trade shows, industry tours, retail displays and the Centennial Farms program. The department's offices in Springfield, Illinois and in Canada, Mexico, Hong Kong and Belgium work to locate buyers for Illinois products throughout the world. Staff also develops new uses for traditional farm commodities.

State and County Fair Promotion The department administers and promotes the Illinois State Fair in Springfield and the DuQuoin State Fair in Southern Illinois. It also distributes funds to 105 county fairs and expositions each year attracting 3.5 million people.

Horse Racing Administration

The department determines the eligibility of Illinois-bred horses to participate in the state's horse racing programs.



Accomplishments of the 2003 Fiscal Year

Technology

 Satellite images of the Illinois landscape and an analysis of how it is being used were made available on the Illinois Department of Agriculture website. The detailed pictures and data completed the final phase of a three-year collaborative effort known as the Illinois Interagency Landscape Classification Project. Partners included the Illinois Department of Natural Resources and the National Agricultural Statistics Service.

- A redesign of the Bureau of Marketing and Promotion's company database began. The new database
 will enable the bureau to send trade leads electronically rather than through the mail, providing clients
 with more timely information and saving the state money on postage.
- The Department launched a new website for the Illinois Bees and Apiaries Program. The website is designed to promote the importance of Illinois' Apiary Industry to humankind, to provide timely information to beekeepers on a variety of apiary topics and to furnish specific information on services provided by the Department's Apiary Inspectors.
- The Bureau of Marketing and Promotion partnered with the State Board of Education to create a new agriculture curriculum for Illinois school children.

Policy Initiatives

- Governor Blagojevich created a 12-member council of farmers and agriculture leaders to assist him in maintaining Illinois agriculture's competitiveness in the global marketplace.
- Responding to Governor Rod Blagojevich's mandate to streamline Illinois government, the Illinois
 Department of Agriculture has been able to meet its obligations to protect the state's food supply while
 at the same time reducing bureaucracy and providing the same services expected of those who depend
 on the agriculture industry for their livelihood.
- The Producer Protection Act, supported by the Department of Agriculture and signed by the Governor, protects contract farmers by requiring that contracts be written in plain and simple language. It also stipulates that farmers can disclose contract details to family members and that contractors cannot unilaterally terminate a contract without good cause.
- The Department's diligence made it instrumental in mitigating losses to the Grain Insurance Fund during 2003. In that calendar year, there were two elevator failures, which resulted in 57 claimants receiving in excess of \$2.6 million. Only \$28,000 from the Illinois Grain Insurance Fund was required to pay the \$2.6 million in claims.



Public Health and Safety

• At the direction of the Governor's office, the Illinois Department of Agriculture enhanced efforts to prevent the potentially deadly West Nile Virus. Regulatory changes made by the Department speed up approval of new mosquito exterminators through accelerated training. Mosquitoes transmit the virus, which killed 64 people and 428 horses in Illinois in 2002.

- All the preparation for an outbreak of a foreign animal disease paid-off in the spring of 2003 when
 monkeypox, a little-known disease never before diagnosed in North America, infected people and
 animals in six states, including Illinois. Employees of the Department's Bureaus of Animal Health and
 Animal Welfare moved swiftly to contain it and, most importantly, track the owners of pets exposed to
 the virus to inform them of the possible danger.
- The Department's animal disease diagnostic laboratories in Galesburg and Centralia were approved by the federal government to test hunter-harvested deer for Chronic Wasting Disease (CWD).



- The Department organized a conference to establish a first responder veterinarian in each county throughout the state in case of an animal disease outbreak, making Illinois a national leader in preparedness. This was the first conference of this nature initiated in the United States.
- Aggressive inspection practices by the Department's Bureau of Meat and Poultry inspection led to a significant reduction in positive tests for listeria and salmonella. In 2003, 1274 tests were performed, resulting in only four positives.
- Through administrative changes, the Department added Monkeypox, plague and tularemia to lists of reportable diseases and contagious or infectious diseases. Entry permits will now be required for all animals entering Illinois for the purpose of livestock production or exhibition.
- The Department has made it possible for law enforcement officers to serve as humane care investigators, an administrative change many law enforcement agencies have requested. Numerous law enforcement officials throughout the state have been trained regarding the animal welfare laws administered by the Department. Normal law enforcement training does not include those laws because they are not part of the criminal code.
- The Department hired ten meat inspectors to help ensure the safety of our food supply (another ten inspectors are scheduled to be hired the next two fiscal years).
- A permit requirement was implemented for imported livestock, both domestic and foreign. The measure
 will greatly enhance Illinois' ability to prevent the introduction of new animal diseases.